



TOP SECRET

Approved For Release 2008/02/27 : CIA-RDP80B01676R000900050008-2
WHEN WITH ATTACHMENTS

OFFICE OF THE SECRETARY OF DEFENSE
WASHINGTON 25, D. C.

JUN 3 0 1960

MEMORANDUM FOR General C. P. Cabell, USAF
Deputy Director
Central Intelligence Agency

SUBJECT: Business Session Talks at the 1960 Secretaries
Conference, Quantico, Virginia

A tape recording was made of all talks at the
business sessions of the 1960 Secretaries Conference in order
to provide all speakers with a verbatim transcript of their talks.

Attached for your information and use are the
original and a carbon copy of the verbatim transcript of your
talk. This office is making no other distribution and the tapes
are being destroyed.

R. Eugene Livesay
R. Eugene Livesay
Special Assistant

Attachment -
Transcript (2 cys)

Approved For Release 2008/02/27 : CIA-RDP80B01676R000900050008-2

TOP SECRET
WHEN WITH ATTACHMENTS

SEC DEF CONT NO. *TS-571*

TS-571
76172704 #1

DEPARTMENT OF DEFENSE
SECRETARIES' CONFERENCE
"INTELLIGENCE BRIEFING"

GENERAL C. P. CABELL, USAF
DEPUTY DIRECTOR, CENTRAL INTELLIGENCE AGENCY
Friday, 17 June 1960, Marine Corps Schools
Quantico, Virginia

DEP. SECY. DOUGLAS: It is my pleasure to put the show on the road. Note that this is the eighth Quantico conference. I take it that we have been so consistent in choosing Quantico as no place else in the country which we find the standard of living would be more difficult to maintain the rest of the year.

As we start our first conference session we are aware of disappointments and new uncertainties in the cold war against communism. But the disappointments again clarify the character and dangers of the threat. I find some satisfaction in that events of Paris brought home several simple facts. Among them are the fact that the path of progress toward a safer peace is a long term, difficult project, and that any progress will be slow; second, that the communist aims that dominate the world

remain unchanged; and third, that our best assurance of peace and survival is continued military strength.

I find deep disappointment in events that show the success of communist planning and action in Japan, the lack of stability in Korea and Turkey, continuing weakness in Malaya and Viet Nam, and disorder in Cuba. These events give emphasis to the fact that we are concerned with much more than military capability and readiness, and I count on this problem receiving attention throughout our program.

As I look at our program I know my launching of eight speakers this morning must be abrupt and with no more than a gesture of christening.

Our first speaker, General Cabell, we welcome with a new appreciation of the part that his agency, the Central Intelligence Agency, plays in our national defense. General Cabell.

GEN. CABELL: The essential task facing the intelligence community today of analyzing the policies and actions of the Soviet Union and Communist China has not been substantially changed by recent events, including

the U-2 incident and the collapse of the Summit meeting. The need for vigilance has increased, however, and we in intelligence must dip again into our reservoir of ingenuity to maintain and increase our collection activity.

The U-2 is literally and figuratively a high point in intelligence collection and identifying the certain basic characteristics of the communist leaders and the communist world. The U-2 incident was used by the Soviets as an excuse to torpedo the Paris talks. The U-2 is a symptom of the continuing cold war, not in any way a cause.

The current world situation from the intelligence point of view can best be described by a brief review of the trend and events which brought Khrushchev to his outrageous peak in Paris, a brief review of the U-2 project itself, and a tentative projection into the immediate future now that the air has somewhat cleared.

First, whatever temporary tactics the communists have chosen to employ from time to time, their long term objective has remained unchanged. They make no secret of the fact that they intend to bury us. They state openly

that communism is the way of the future. Khrushchev would have us relax and enjoy a peaceful and painless death. To reinforce the theoretical inevitability of this victory the communists have always used and condoned every legal and illegal means of hastening the day of their victory. They have competed and will continue to compete with us for the loyalty of the uncommitted people. They do not hesitate to use crude military threats. Their record of subversion and espionage is long and well documented. They are motivated by a fundamentally hostile attitude toward the United States.

In view of communist hostility why has Khrushchev until recently concentrated on a program of so-called peaceful co-existence and a relaxation of East-West tension? We believe that he needed primarily to bide time to accomplish several purposes. First, he needed to develop the Soviet economy and industrial base to the point where so-called peaceful competition on his terms would become feasible, or in the event of war communist success would be at least probable. Second, he needed to develop his missile program and provide adequate protection

to the Soviet homeland against free world tracking forces. Third, he needed to establish by political and economic means overseas subversive bases in the uncommitted world. Cases in point are extension of aid to Iraq in the Middle East, the battle to undermine internal security in Laos, the rapid recognition and extension of aid to Guinea and Black Africa; and finally, what the communists call the imperialist backyard, the extension of aid and comfort to the Castro regime. His fourth objective was to disrupt the free world system of alliances by creating two impressions: one, that communism was no longer a serious threat; and two, that alliance with the United States was to invite nuclear war.

In line with his policy of promoting a sense of relaxation Khrushchev hoped to get American forces withdrawn from their overseas bases and to soften up the people of our country by selling sweetness and light.

There may well be other reasons why he needed to buy time. We believe that he has been and continues to be under growing pressure at home to make good on his grandiose promises about improving living standards. In any event, he had embarked on quite a program, and his

personal prestige was deeply involved.

At this point it is worth noting that Communist China has never accepted Moscow's policy of promoting co-existence with the United States. The Chinese leaders take a fundamentally different view of the way to achieve the ultimate victory of communism. They have argued openly that growing communist military might makes it unnecessary to negotiate with the United States. The Chinese have also stated openly that a nuclear war would not destroy the communist society and that if half the present Chinese population were to be wiped out some 300 million would still be left to rule over the ruins of the world. The Chinese have crowed openly over the failure of the Paris meeting. However, there is no evidence on which to base a conclusion that Khrushchev is dominated by Peking policies any more than there is evidence showing that he is a captive of military or Stalinist elements in the Soviet Union.

We do not foresee a rupture of the Sino-Soviet alliance. This alliance is mutually beneficial. It is aimed at the same implacable enemy, the United States.

and both partners are shooting for the same ultimate target.

Khrushchev persisted in his co-existence policy and recognized that he was running certain risks which could involve a threat to his own position, to the present form of Soviet Government, and to the foundations of international communism itself. These risks were as follows: By calling for increased East-West contacts he exposed the Soviet people to the accomplishments of the free world, not only its material accomplishments, but the intangible benefits enjoyed by free individuals. It raised in the minds of thoughtful communist bloc people the basic heresy that a compromise between capitalism and communism was possible. The capitalists previously invariably portrayed as diabolical in the wood villians were beginning to be considered people with whom Khrushchev could do business. In brief, Khrushchev came close himself to challenging the whole idea of a closed society, an idea fundamental to the continued existence of the communist system.

On May 5 Khrushchev reverted to type. He

betrayed the long standing Soviet obsession of secrecy, their sensitivity at not being treated as an equal partner among the major powers, and their embarrassment at having overstated the adequacy of their military defenses. Co-existence was but one part of Khrushchev's total program. He needed some sort of triumph to keep up the momentum of recent Soviet policy with which he had become personally identified. Although even now we can see no immediate serious threat to his personal political position, his resounding failure in foreign policy will bring under closer scrutiny by his colleagues the soft spots in his domestic, economic, military and political program.

However, up to the eve of the summit he was concerned. He was already talking in terms which showed that he could expect no meaningful concession on the primary issues which he had used to bring the meeting about. He knew that we would stand firmly on Berlin and on disarmament, and as Mr. Gates suggested last night, the Summit was facing failure.

On 1 May came the U-2 incident. On 5 May

Khrushchev chose to blow up this incident at the risk of informing the Soviet people that they had not been adequately defended against overflights, and at the risk of promoting a serious break with the Western world. On 7 May his second statement revealed that he intended to milk the U-2 incident of everything he could. We do not believe that the U-2 incident wrecked the Paris meeting. We believe, rather, that Khrushchev knew in advance that he was not likely to get anything so he decided to wreck the conference rather than have it fail on the real issue.

At this point I think that some background to the U-2 is in order. You are familiar with all the newspaper accounts of the incident and its handling in Washington between 1 May and 9 May. I should like to give you some of the facts of this project strictly from the intelligence point of view.

For years we had not been able to obtain certain vital elements of intelligence through classical means. We decided almost six years ago on a radically new approach. Air reconnaissance, of course, not not new, but the U-2 with its own performance characteristics and

improvements in the art of photography were new. In terms of the performance of the people and the equipment in this project the accomplishment exceeded all our expectations. We submit that this project was one of the most valuable intelligence collection operations that any country has ever mounted at any time, and that it was vital to our national security. Every overflight was carefully planned, fully authorized, and until 1 May when the law of averages caught up with us, successfully carried out. Support by other members of the intelligence community in planning and executing was wholehearted and efficient. The security maintained for this project was unique in government.

Our main targets were five critical problems directly bearing upon our national security. These are the Soviet long range bomber force, the Soviet missile program, the Soviet nuclear energy program, the Soviet submarine program, and the Soviet air defense system. We gained much valuable information on all these and many other targets. In addition, we repeatedly overflew the Soviets with impunity, and they knew it. This fact has posed them quite a dilemma with respect to exposing it to

Approved For Release 2003/02/27 : CIA-RDP80B01676R000900050008-2

their own people.

As to the timing of the flight, I will admit that it was a mistake to have a failure on 1 May or on any other date. The timing of the flight was dictated by a rare favorable combination of sun angle and weather conditions over the entire route.

As to what actually happened, we still do not know positively. We do have enough evidence so that we can make a judgment with considerable confidence. We do not believe that the plane was shot down at its operating altitude by the Soviets. We believe that some mechanical malfunction forced the plane to descend to a lower altitude where it was a sitting duck for Soviet defenses, for the fighters and conventional antiaircraft or ground to air missiles.

As far as the pilot and his behavior are concerned, we have only the Soviet account on all of this, and we must accept these statements and any subsequent ones which he may make at a public trial with caution. He had an excellent background both as an Air Force jet pilot before he resigned to join the project, and in the project. He was carefully selected, thoroughly checked for personal

Approved For Release 2003/02/27 : CIA-RDP80B01676R000900050008-2

background, family history, loyalty, motivation, psychological stability, and was intensively trained and briefed on the conduct of his mission and in escape and evasion. He was not trained as an intelligence agent because there were no circumstances under which he would be called on to act as one.

With respect to the cover stories which were issued between 1 May and 9 May, we did not know whether the plane was destroyed or intact or whether the pilot was alive or dead. Something had to be said about the missing aircraft or attempted secrecy would have invited worldwide probing . When Khrushchev revealed the contents of the plane, pictures of the pilot, and other clear evidence, all cover stories were outflanked. It would have been extremely difficult and self-defeating to maintain the attitude of no governmental responsibility any longer.

But we didn't have the success, the plausibility that a young southern doctor had. It seems that this southern doctor's father, the only doctor in the community, had been looking forward to the day when his son would come out of medical college so the father could retire

and fish for catfish. The day came, and as he was helping his son hang up his shingle he said "Son, there's one thing I want to tell you. Don't ever change your diagnosis after you have made it because if you do people will lose confidence in you." Well, the son said, "I will remember that." Well, the first patient that came was a big fat woman dragging a little kid squalling behind her. She said "Doctor, this kid sure is sick." So the doctor put the kid on his examining table and he used all of his instruments and gave him all the tests and x-rays, and then in a very learned way said "I know exactly what's wrong with this child now. He has got the locked bowel." "Well," the mother said, "Doctor, there's something wrong some place because all the way here and for three days this child has had the dairrhea something terrible." "Well," the doctor said, "um, yes, that's right. Locked open. That's the worst kind." (Laughter)

As I say, we were outflanked.

As to credit lines for this project, CIA has properly claimed all the onus and it must be left that

way, but let me assure you that we had much help and in the right places.

Now for the future: Khrushchev obviously has overplayed his hand. Perhaps it was necessary for him to do this in order to insure the stoppage of the flights because these were really serious to him. First, he suggested that he had been deceived by the President. This made him look naive at home and abroad. Then he suggested the President was not in control of his own government. This failed and made Khrushchev look ridiculous. Since then he has moved on into personal invective and increasing signs of irrationalism. He has lost face and he is blustering and threatening to try to cover up. He will need all his resilience and agility.

A word of caution is in order. The fact that he is now off balance in itself poses a danger to us. He may feel that he has to restore his prestige by some sort of foreign adventure. He has avoided the opportunity of heating up the Berlin situation, so perhaps he can cater to his Chinese allies by condoning or encouraging some execution by them. In any event, he has clearly written

off any further negotiations with the present U. S. administration and hopes that some new administration may be pressed to resume the long road back to the Summit. This is a time for vigilance, and it is a time for increased efforts on the part of intelligence to collect data, to analyze the facts, and to consider above all the intangibles of the present world situation.

For example, it is difficult to escape the conclusion that Khrushchev is in some sort of trouble at home. However, it is impossible as yet to cite concrete evidence of an organized opposition or internal maneuverings against the Soviet leader.

Take another example: The relations between Moscow and Peking show open signs of stress. However, one cannot conclude on the basis of available evidence that the alliance is as yet in danger of rupture or that the Chinese Communists are now calling the tune. We know that the communists retain the capability of initiating hostile action in the Taiwan Straits area with little or no warning. They may shoot up the offshore islands, but that in itself would not necessarily be either

on orders from Moscow or against Khrushchev's wishes.

The communist world is our primary concern and the top priority intelligence target. We must not, however, in putting the world situation in perspective neglect the growing influence of the newly developing countries of the world. These countries are more than simply passive objects for which we and the communists are competing. They have a growing force of their own which will have to be reckoned with whether or not we or the communists take direct action. Their attitudes will continue to be of vital interest to intelligence. Their progress towards political stability and economic development are noteworthy not only because of their increasing weight in world council -- and remember that they will have votes in the U. N. -- but also as a measure of how they regard the future of the two major powers.

Although the events of early May mark a suspension of one intelligence collection activity, it is too early to conclude that we now face a drastic new era in the world situation. We have previously seen the Soviets switch from a hard to a soft policy and now back to these

17

hard tactics. They may turn all the way back again to a hard policy, but Khrushchev has tried to keep the door open for his co-existence policy. It may be that we are facing a basic change in policy. However, their long range policy has always been clearly defined to us, and perhaps all the publicity surrounding the U-2 has had an accidental benefit. It has revealed to the world the nature of the communist leaders, and more important, has shown the world that we are alert to it and determined to meet this threat.

What is new in the world situation is the rising tide of nationalism, most dramatically evident in Latin America and Black Africa. Another new factor is pressure against the harsh regime of some of our allies, including South Korea and Turkey. More countries may follow their example. We shall watch these developments from an intelligence point of view at the same time as we follow the twist and turn of communist policy.

(Applause).

* * * * *

(Transcribed from tape recording.)

DEPARTMENT OF DEFENSE
SECRETARIES' CONFERENCE

"INTELLIGENCE BRIEFING"

GENERAL C. P. CABELL, USAF

DEPUTY DIRECTOR, CENTRAL INTELLIGENCE AGENCY

Friday, 17 June 1960, Marine Corps Schools

Quantico, Virginia

DEP. SECY. DOUGLAS: It is my pleasure to put the show on the road. Note that this is the eighth Quantico conference. I take it that we have been so consistent in choosing Quantico as no place else in the country which we find the standard of living would be more difficult to maintain the rest of the year.

As we start our first conference session we are aware of disappointments and new uncertainties in the cold war against communism. But the disappointments again clarify the character and dangers of the threat. I find some satisfaction in that events of Paris brought home several simple facts. Among them are the fact that the path of progress toward a safer peace is a long term, difficult project, and that any progress will be slow; second, that the communist aims that dominate the world

remain unchanged; and third, that our best assurance of peace and survival is continued military strength.

I find deep disappointment in events that show the success of communist planning and action in Japan, the lack of stability in Korea and Turkey, continuing weakness in Malaya and Viet Nam, and disorder in Cuba. These events give emphasis to the fact that we are concerned with much more than military capability and readiness, and I count on this problem receiving attention throughout our program.

As I look at our program I know my launching of eight speakers this morning must be abrupt and with no more than a gesture of christening.

Our first speaker, General Cabell, we welcome with a new appreciation of the part that his agency, the Central Intelligence Agency, plays in our national defense. General Cabell.

GEN. CABELL: The essential task facing the intelligence community today of analyzing the policies and actions of the Soviet Union and Communist China has not been substantially changed by recent events, including

the U-2 incident and the collapse of the Summit meeting. The need for vigilance has increased, however, and we in intelligence must dip again into our reservoir of ingenuity to maintain and increase our collection activities.

The U-2 is literally and figuratively a high point in intelligence collection and identifying the certain basic characteristics of the communist leaders and the communist world. The U-2 incident was used by the Soviets as an excuse to torpedo the Paris talks. The U-2 is a symptom of the continuing cold war, not in any way a cause.

The current world situation from the intelligence point of view can best be described by a brief review of the trend and events which brought Khrushchev to his outrageous peak in Paris, a brief review of the U-2 project itself, and a tentative projection into the immediate future now that the air has somewhat cleared.

First, whatever temporary tactics the communists have chosen to employ from time to time, their long term objective has remained unchanged. They make no secret of the fact that they intend to bury us. They state openly

that communism is the way of the future. Khrushchev would have us relax and enjoy a peaceful and painless death. To reinforce the theoretical inevitability of this victory the communists have always used and condoned every legal and illegal means of hastening the day of their victory. They have competed and will continue to compete with us for the loyalty of the uncommitted people. They do not hesitate to use crude military threats. Their record of subversion and espionage is long and well documented. They are motivated by a fundamentally hostile attitude toward the United States.

In view of communist hostility why has Khrushchev until recently concentrated on a program of so-called peaceful co-existence and a relaxation of East-West tension? We believe that he needed primarily to bide time to accomplish several purposes. First, he needed to develop the Soviet economy and industrial base to the point where so-called peaceful competition on his terms would become feasible, or in the event of war communist success would be at least probable. Second, he needed to develop his missile program and provide adequate protection

to the Soviet homeland against free world tracking forces. Third, he needed to establish by political and economic means overseas subversive bases in the uncommitted world. Cases in point are extension of aid to Iraq in the Middle East, the battle to undermine internal security in Laos, the rapid recognition and extension of aid to Guinea and Black Africa; and finally, what the communists call the imperialist backyard, the extension of aid and comfort to the Castro regime. His fourth objective was to disrupt the free world system of alliances by creating two impressions: one, that communism was no longer a serious threat; and two, that alliance with the United States was to invite nuclear war.

In line with his policy of promoting a sense of relaxation Khrushchev hoped to get American forces withdrawn from their overseas bases and to soften up the people of our country by selling sweetness and light.

There may well be other reasons why he needed to buy time. We believe that he has been and continues to be under growing pressure at home to make good on his grandiose promises about improving living standards. In any event, he had embarked on quite a program, and his

personal prestige was deeply involved.

At this point it is worth noting that Communist China has never accepted Moscow's policy of promoting co-existence with the United States. The Chinese leaders take a fundamentally different view of the way to achieve the ultimate victory of communism. They have argued openly that growing communist military might makes it unnecessary to negotiate with the United States. The Chinese have also stated openly that a nuclear war would not destroy the communist society and that if half the present Chinese population were to be wiped out some 300 million would still be left to rule over the ruins of the world. The Chinese have crowed openly over the failure of the Paris meeting. However, there is no evidence on which to base a conclusion that Khrushchev is dominated by Peking policies any more than there is evidence showing that he is a captive of military or Stalinist elements in the Soviet Union.

We do not foresee a rupture of the Sino-Soviet alliance. This alliance is mutually beneficial. It is aimed at the same implacable enemy, the United States,

and both partners are shooting for the same ultimate target.

Khrushchev persisted in his co-existence policy and recognized that he was running certain risks which could involve a threat to his own position, to the present form of Soviet Government, and to the foundations of international communism itself. These risks were as follows: By calling for increased East-West contacts he exposed the Soviet people to the accomplishments of the free world, not only its material accomplishments, but the intangible benefits enjoyed by free individuals. He raised in the minds of thoughtful communist bloc people the basic heresy that a compromise between capitalism and communism was possible. The capitalists previously invariably portrayed as diabolical in the wood villians were beginning to be considered people with whom Khrushchev could do business. In brief, Khrushchev came close himself to challenging the whole idea of a closed society, an idea fundamental to the continued existence of the communist system.

On May 5 Khrushchev reverted to type. He

betrayed the long standing Soviet obsession of secrecy, their sensitivity at not being treated as an equal partner among the major powers, and their embarrassment at having overstated the adequacy of their military defenses. Co-existence was but one part of Khrushchev's total program. He needed some sort of triumph to keep up the momentum of recent Soviet policy with which he had become personally identified. Although even now we can see no immediate serious threat to his personal political position, his resounding failure in foreign policy will bring under closer scrutiny by his colleagues the soft spots in his domestic, economic, military and political program.

However, up to the eve of the summit he was concerned. He was already talking in terms which showed that he could expect no meaningful concession on the primary issues which he had used to bring the meeting about. He knew that we would stand firmly on Berlin and on disarmament, and as Mr. Gates suggested last night, the Summit was facing failure.

On 1 May came the U-2 incident. On 5 May

Khrushchev chose to blow up this incident at the risk of informing the Soviet people that they had not been adequately defended against overflights, and at the risk of promoting a serious break with the Western world. On 7 May his second statement revealed that he intended to milk the U-2 incident of everything he could. We do not believe that the U-2 incident wrecked the Paris meeting. We believe, rather, that Khrushchev knew in advance that he was not likely to get anything so he decided to wreck the conference rather than have it fail on the real issue.

At this point I think that some background to the U-2 is in order. You are familiar with all the newspaper accounts of the incident and its handling in Washington between 1 May and 9 May. I should like to give you some of the facts of this project strictly from the intelligence point of view.

For years we had not been able to obtain certain vital elements of intelligence through classical means. We decided almost six years ago on a radically new approach. Air reconnaissance, of course, not not new, but the U-2 with its own performance characteristics and

improvements in the art of photography were new. In terms of the performance of the people and the equipment in this project the accomplishment exceeded all our expectations. We submit that this project was one of the most valuable intelligence collection operations that any country has ever mounted at any time, and that it was vital to our national security. Every overflight was carefully planned, fully authorized, and until 1 May when the law of averages caught up with us, successfully carried out. Support by other members of the intelligence community in planning and executing was wholehearted and efficient. The security maintained for this project was unique in government.

Our main targets were five critical problems directly bearing upon our national security. These are the Soviet long range bomber force, the Soviet missile program, the Soviet nuclear energy program, the Soviet submarine program, and the Soviet air defense system. We gained much valuable information on all these and many other targets. In addition, we repeatedly overflew the Soviets with impunity, and they knew it. This fact has posed them quite a dilemma with respect to exposing it to

their own people.

As to the timing of the flight, I will admit that it was a mistake to have a failure on 1 May or on any other date. The timing of the flight was dictated by a rare favorable combination of sun angle and weather conditions over the entire route.

As to what actually happened, we still do not know positively. We do have enough evidence so that we can make a judgment with considerable confidence. We do not believe that the plane was shot down at its operating altitude by the Soviets. We believe that some mechanical malfunction forced the plane to descend to a lower altitude where it was a sitting duck for Soviet defenses, for the fighters and conventional antiaircraft or ground to air missiles.

As far as the pilot and his behavior are concerned, we have only the Soviet account on all of this, and we must accept these statements and any subsequent ones which he may make at a public trial with caution. He had an excellent background both as an Air Force jet pilot before he resigned to join the project, and in the project. He was carefully selected, thoroughly checked for personal

12

background, family history, loyalty, motivation, psychological stability, and was intensively trained and briefed on the conduct of his mission and in escape and evasion. He was not trained as an intelligence agent because there were no circumstances under which he would be called on to act as one.

With respect to the cover stories which were issued between 1 May and 9 May, we did not know whether the plane was destroyed or intact or whether the pilot was alive or dead. Something had to be said about the missing aircraft or attempted secrecy would have invited worldwide probing. When Khrushchev revealed the contents of the plane, pictures of the pilot, and other clear evidence, all cover stories were outflanked. It would have been extremely difficult and self-defeating to maintain the attitude of no governmental responsibility any longer.

But we didn't have the success, the plausibility that a young southern doctor had. It seems that this southern doctor's father, the only doctor in the community, had been looking forward to the day when his son would come out of medical college so the father could retire

and fish for catfish. The day came, and as he was helping his son hang up his shingle he said "Son, there's one thing I want to tell you. Don't ever change your diagnosis after you have made it because if you do people will lose confidence in you." Well, the son said, "I will remember that." Well, the first patient that came was a big fat woman dragging a little kid squalling behind her. She said "Doctor, this kid sure is sick." So the doctor put the kid on his examining table and he used all of his instruments and gave him all the tests and x-rays, and then in a very learned way said "I know exactly what's wrong with this child now. He has got the locked bowel." "Well," the mother said, "Doctor, there's something wrong some place because all the way here and for three days this child has had the dairrhea something terrible." "Well," the doctor said, "um, yes, that's right. Locked open. That's the worst kind." (Laughter)

As I say, we were outflanked.

As to credit lines for this project, CIA has properly claimed all the onus and it must be left that

14

way, but let me assure you that we had much help and in the right places.

Now for the future: Khrushchev obviously has overplayed his hand. Perhaps it was necessary for him to do this in order to insure the stoppage of the flights because these were really serious to him. First, he suggested that he had been deceived by the President. This made him look naive at home and abroad. Then he suggested the President was not in control of his own government. This failed and made Khrushchev look ridiculous. Since then he has moved on into personal invective and increasing signs of irrationalism. He has lost face and he is blustering and threatening to try to cover up. He will need all his resilience and agility.

A word of caution is in order. The fact that he is now off balance in itself poses a danger to us. He may feel that he has to restore his prestige by some sort of foreign adventure. He has avoided the opportunity of heating up the Berlin situation, so perhaps he can cater to his Chinese allies by condoning or encouraging some execution by them. In any event, he has clearly written

off any further negotiations with the present U. S administration and hopes that some new administration may be pressed to resume the long road back to the Summit. This is a time for vigilance, and it is a time for increased efforts on the part of intelligence to collect data, to analyze the facts, and to consider above all the intangibles of the present world situation.

For example, it is difficult to escape the conclusion that Khrushchev is in some sort of trouble at home. However, it is impossible as yet to cite concrete evidence of an organized opposition or internal maneuverings against the Soviet leader.

Take another example: The relations between Moscow and Peking show open signs of stress. However, one cannot conclude on the basis of available evidence that the alliance is as yet in danger of rupture or that the Chinese Communists are now calling the tune. We know that the communists retain the capability of initiating hostile action in the Taiwan Straits area with little or no warning. They may shoot up the offshore islands, but that in itself would not necessarily be either

16

on orders from Moscow or against Khrushchev's wishes.

The communist world is our primary concern and the top priority intelligence target. We must not, however, in putting the world situation in perspective neglect the growing influence of the newly developing countries of the world. These countries are more than simply passive objects for which we and the communists are competing. They have a growing force of their own which will have to be reckoned with whether or not we or the communists take direct action. Their attitudes will continue to be of vital interest to intelligence. Their progress towards political stability and economic development are noteworthy not only because of their increasing weight in world council -- and remember that they will have votes in the U. N. -- but also as a measure of how they regard the future of the two major powers.

Although the events of early May mark a suspension of one intelligence collection activity, it is too early to conclude that we now face a drastic new era in the world situation. We have previously seen the Soviets switch from a hard to a soft policy and now back to these

17

hard tactics. They may turn all the way back again to a hard policy, but Khrushchev has tried to keep the door open for his co-existence policy. It may be that we are facing a basic change in policy. However, their long range policy has always been clearly defined to us, and perhaps all the publicity surrounding the U-2 has had an accidental benefit. It has revealed to the world the nature of the communist leaders, and more important, has shown the world that we are alert to it and determined to meet this threat.

What is new in the world situation is the rising tide of nationalism, most dramatically evident in Latin America and Black Africa. Another new factor is pressure against the harsh regime of some of our allies, including South Korea and Turkey. More countries may follow their example. We shall watch these developments from an intelligence point of view at the same time as we follow the twist and turn of communist policy.

(Applause).

* * * * *

(Transcribed from tape recording.)

